ascom

HALF-YEAR REPORT 2011

LETTER TO SHAREHOLDERS

Dear Shareholders

Ascom posted solid results in the first half-year of 2011, despite a challenging macroeconomic environment. Earning power at Group level remained stable, and was with an EBITDA margin of 11.7% within the defined full-year guidance range. Group revenue and incoming orders were affected by negative currency effects and the expected lower business volume of Security Communication. On an adjusted basis, revenue development was almost flat and thus in line with company's guidance. Wireless Solutions succeeded in generating organic growth in local currencies despite the high level already achieved last year while the revenue development of Network Testing was flat. Wireless Solutions could further enhance its strong market position through the acquisition of Miratel, the Finnish market leader in nurse call systems.

Since the financial result was heavily impacted by negative currency effects, Ascom ended the first half-year of 2011 with lower year-on-year profit of CHF 9.0 million. Financial expenses were particularly affected by exchange rate losses of CHF 6.6 million as well as one-off amortization of transaction costs of CHF 1.4 million related to the early repayment of a bank loan. With cash and cash equivalents of CHF 80.4 million as of 30 June 2011 and an increased equity ratio of 35.9%, Ascom is a financially sound technology group.

Based on a thorough review of strategic alternatives, the Board of Directors decided to focus the Ascom Group's business on the two divisions Wireless Solutions and Network Testing since both offer interesting global growth perspectives with a strong product focus. New owners will be sought for the businesses of the third and smallest division, Security Communication.

Ascom will continue to consistently pursue the corporate strategy it adopted in 2004 and concentrate on Mission-Critical Communication in the business-to-business segment. Targeted investments in new products and markets in 2011 will provide the basis for growth above market in 2012 and 2013. From 2012 onward, Ascom is aiming for average annual organic growth of 5–10% in its core businesses. The Group will also continue to grow inorganically. For 2013, Ascom has set itself the goal of achieving a Group EBITDA margin of 14–15%.

Overall flat revenue development

Since almost 80% of Ascom's total revenue was generated outside Switzerland, the strong rise in the Swiss franc and Swedish krona versus the Euro and US dollar had a significant impact on revenue and incoming orders. In the first half-year, the Group recorded consolidated revenue of CHF 253.1 million (2010: CHF 281.2 million). Adjusted for currency translation and divestment effects, growth in Group revenue was largely stable and within the company's guidance range.

Despite negative currency effects, Wireless Solutions achieved a very good result, recording revenue of CHF 132.4 million (2010: CHF 138.2 million) and growing organically by 5.2%.

Network Testing was hardest hit by negative currency effects, since the division generates almost 90% of its revenue in US dollars and Euros and around 50% of its costs are incurred in Swiss francs and Swedish krona. The 2010 figures also included the Network Planning business, which was divested in May 2010. Adjusting for currency translation and divestment effects, revenue was stable at CHF 70.3 million (2010: CHF 80.1 million).

As expected, revenue generated by Security Communication was lower at CHF 51.4 million (2010: CHF 64.3 million) due to the cyclical nature of demand in the defense business.

Ascom key figures

CHFm 1st half-year	2011	2010
Incoming orders	277.1	308.2
Revenue	**253.1**	**281.2**
EBIT	19.5	24.0
EBITDA	29.6	33.9
Group profit	**9.0**	**17.1**

Incoming orders for the Ascom Group amounted to CHF 277.1 million (2010: CHF 308.2 million). Adjusted for currency translation and divestment effects, incoming orders fell by 1.6%.

EBITDA margin in line with full-year guidance range

At Group level, profitability was largely stable and within the defined guidance range for the full-year. Both growth divisions were investing substantially in new products and markets and R&D spending increased to 10.9% (2010: 9.4%). Group EBITDA ended the first half of 2011 at CHF 29.6 million (2010: CHF 33.9 million), with an EBITDA margin of 11.7% (2010: 12.1%).

Wireless Solutions succeeded in increasing profitability even further, despite negative currency effects. With EBITDA of CHF 17.8 million (2010: CHF 17.3 million) and an EBITDA margin of 13.4% (2010: 12.5%), the division posted very good results.

Since the operating result of Network Testing was heavily impacted by negative currency translation effects and investments in new products and markets, EBITDA decreased to CHF 5.4 million (2010: CHF 12.3 million) and the EBITDA margin to 7.7% (2010: 15.4%). The 2010 result also included a positive divestment effect of CHF 3.4 million.

Security Communication achieved EBITDA of CHF 3.6 million (2010: CHF 5.8 million) and an EBITDA margin of 7.0% (2010: 9.0%).

Concentration of strengths

The Board of Directors decided to focus the Ascom Group's business consistently on the two globally oriented divisions Wireless Solutions and Network Testing. Wireless Solutions is aiming for international market leadership in Mission-Critical Communication in the healthcare sector, while Network Testing intends to leverage its position as a global leader in the benchmarking and mobile network optimization market to benefit from LTE investments.

New owners will be sought for the businesses of the third and smallest division, Security Communication. The activities of Security Communication include major long-term project business, and are therefore subject to high volatility and cyclicality. Given the small Swiss domestic market, growth opportunities are limited and entail substantial risks. Ascom will continue to honor its obligations towards customers and employees and will fully respect their interests. Fritz Gantert, General Manager Security Communication, will step down from the Executive Board at the end of the year. The Board of Directors thanks him already now for his valuable contribution.

In addition to investing in new products and markets, Ascom will continue to explore opportunities for targeted, value-adding acquisitions. A new credit facility has been arranged to further increase the strategic flexibility of the Group. By acquiring the Finnish healthcare communications company Miratel on 1 July 2011, Ascom further strengthened its leading position as a provider of communication solutions for the healthcare sector. As the Finnish market leader in nurse call systems, Miratel is an excellent strategic fit for Ascom Wireless Solutions.

Outlook

Ascom expects to close the full 2011 financial year with an EBITDA margin of 13–14% in its core businesses, provided the economic environment and exchange rate situation do not deteriorate substantially in the second half-year. The Group is expecting a strong second half-year. However, the turbulences of the financial markets remain an uncertainty factor.

Juhani Anttila
Chairman of the Board of Directors

Fritz Mumenthaler
CEO

BUSINESS RESULTS

Ascom achieves a solid half-year operating result

Ascom succeeded in maintaining its level of earning power posting EBITDA of CHF 29.6 million and an EBITDA margin of 11.7%, which is within the full-year company's guidance range. Negative currency translation effects and the expected decreasing business volume of Security Communication impacted revenue and incoming orders. On an adjusted basis, revenue development was almost flat and thus also in line with company's guidance. Wireless Solutions succeeded in achieving organic growth, while the revenue of Network Testing was stable.

According to the growth initiatives as communicated in January 2011, Wireless Solutions and Network Testing invested in new products and markets to provide the basis for accelerated growth in 2012 and 2013.

Wireless Solutions

Wireless Solutions posted very good results and achieved organic growth of 5.2%. Revenue was slightly lower due to currency effects and amounted to CHF 132.4 million (2010: CHF 138.2 million).

All three sales channels performed well. In the direct channel, sales grew in almost all regions. Sales in the US, and in particular in the healthcare segment, performed very well. Sales with the newer OEM partners grew substantially while business with the other OEM partners also developed satisfactorily. The indirect sales channel with international sales partners grew strongly, showing a positive trend in Central and Eastern Europe.

Wireless Solutions succeeded in increasing profitability. Despite negative currency effects, the division reported a higher result at EBITDA level of CHF 17.8 million (2010: CHF 17.3 million), corresponding to an improved EBITDA margin of 13.4% versus 12.5% in 2010. On a currency-adjusted basis, EBITDA increased by 10.5%. The division continued to enhance efficiency and invested mainly in the US and in the indirect sales channel to accelerate growth. At EBIT level, the division improved the result to CHF 14.3 million with an EBIT margin of 10.8%.

On a currency-adjusted basis, incoming orders increased by 3.1% to CHF 147.8 million although the first half-year in 2010 already showed a high and above-average level of incoming orders due to postponed orders from 2009. While incoming orders showed limited growth in Europe, the US market continued to develop well with increased acceptance of IP-DECT technology and continued positive development in Wi-Fi handset business. Wireless Solutions obtained the Medical Device Directive for the Ascom Mobile Monitoring Gateway (MMG) valid for Europe and FDA clearance in the US for the Ascom Cardiomax, which will further strengthen the division's market position in the healthcare sector. Wireless Solutions continues to invest in R&D to improve and add functionalities to its offering. The division is also investing in the US in a bid to further penetrate the hospital market.

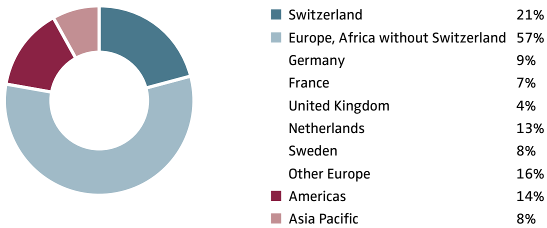
The division is focusing its acquisition strategy mainly on companies with a strong portfolio in the healthcare sector. As of 1 July 2011, Wireless Solutions concluded the acquisition of Miratel, the market leader in nurse call systems in Finland. This acquisition is an excellent strategic fit and will give Ascom the leading market position in the healthcare segment in Finland.

Network Testing

Of the three divisions, Network Testing suffered the most from the negative currency effects due to the fact that about 60% of the division's revenue is generated in US dollars and around 30% in Euros while around 50% of the costs are denominated in Swedish krona and Swiss francs. The 2010 figures also included the Network Planning business, which was divested in May 2010. According to the Group's mid-term plan, Network Testing made substantial investments in new products and markets.

Network Testing could maintain the top-line and generated stable revenue net of currency translation effects and divestments, which is in line with company's guidance range and industry forecast. The division reported revenue of CHF 70.3 million (2010: CHF 80.1 million). The division was awarded several strategically important projects

Revenue by region



in the Reporting & Analysis area and successfully completed the LTE upgrade of a key customer in the US. In addition, Network Testing launched a new leading benchmarking platform to replace the previous QVoice Symphony product line.

As well as enjoying growth in North America, Network Testing benefited from a rebound in business in South East Asia, India, China, Central and South America, as well as in the Middle East, which will have a positive impact on the second half-year. The division continued to successfully build up its distributor network by adding new channel partners and opening new regional sales offices in South Africa, Brazil, Dubai and Russia. Europe showed lower incoming orders compared to a strong 2010 result. Overall incoming orders amounted to CHF 73.2 million (2010: CHF 86.4 million). On an adjusted basis, incoming orders declined by 3.6%.

The operating result was strongly adversely affected by currency effects. As a part of its investment initiatives, Network Testing strengthened its sales organizations and increased R&D spending. As a consequence, the division posted a lower result at EBITDA level of CHF 5.4 million (2010: CHF 12.3 million), corresponding to an EBITDA margin of 7.7% (2010: 15.4%). At EBIT level, the division reported a small loss of CHF 0.7 million.

Network Testing is well positioned in its markets, which developed differently. The demand for mobile broadband remains strong and the volumes of smartphones further increased. While the market in North America remains strong, the trend in the European market is slow and being driven mainly by UMTS expansion and updates in preparation for the LTE rollout in 2012 and 2013. The Asian markets are picking up after a slow previous year.

All existing product lines of Network Testing saw new releases, adding new features and functionalities. The additional value is creating opportunities in terms of new sales and upgrades. In Benchmarking, Network Testing has seen significant growth in the sales funnel and expects to expand its position and going forward with the new benchmarking platform. On the Test & Measurement side, the division sees growing opportunities based on new devices, as well as in Reporting & Analysis space. Strategically, Network Testing is finalizing its plans to introduce an enterprise version of the post processing product (TEMS Discovery) in the first half of 2012. Network Testing has expanded its already leading position in FDD-LTE by now tackling the TD-LTE space with the introduction of scanner support. An agreement with a leading TD-LTE chipset provider shall be signed during the second half of 2011.

Security Communication

Security Communication developed its business according to expectations and succeeded in further consolidating its position on the Swiss market. Although the division secured some substantial orders in the first half-year, the Swiss defense business decreased due to its cyclical nature.

Security Communication recorded revenue of CHF 51.4 million (2010: CHF 64.3 million). Despite lower revenue, the division improved profitability compared to the full-year 2010 result due to several actions implemented. At EBITDA level, the division closed the first half-year with a result of CHF 3.6 million, corresponding to an EBITDA margin of 7.0% (versus 9.0% in first-half year 2010), which is in line with the mid-term EBITDA guidance for Security Communication. At EBIT level, the division reported CHF 3.1 million and an EBIT margin of 6.0%.

Security Communication was awarded several substantial orders in the defense sector as well as in the civilian sectors. Overall, the division reported incoming orders of CHF 57.3 million (2010: CHF 65.2 million).

CONSOLIDATED BALANCE SHEET

	CHFm	Note	30.6.2011	31.12.2010	30.6.2010
ASSETS	Property, plant and equipment		22.8	25.3	27.6
	Intangible assets		203.9	221.5	229.3
	Deferred income tax assets		3.8	3.9	3.5
	Financial assets	5	6.9	7.5	7.3
	Other assets	5	7.4	3.2	1.7
	Non-current assets		**244.8**	**261.4**	**269.4**
	Inventories and work in process		43.8	42.3	45.2
	Trade receivables		96.6	103.8	96.3
	Other assets		39.8	43.8	56.8
	Financial assets		1.1	–	0.5
	Cash and cash equivalents		80.4	129.0	112.4
	Current assets		**261.7**	**318.9**	**311.2**
	Total assets		**506.5**	**580.3**	**580.6**
LIABILITIES AND SHARE-HOLDERS' EQUITY	Equity attributable to owners of the parent	6	181.7	189.0	182.5
	Shareholders' equity		**181.7**	**189.0**	**182.5**
	Borrowings	7	37.5	37.5	56.3
	Deferred income tax liabilities		14.2	16.7	19.0
	Employee benefit obligations		16.2	15.9	15.6
	Provisions	8	14.5	13.6	14.7
	Other liabilities		–	0.2	0.8
	Non-current liabilities		**82.4**	**83.9**	**106.4**
	Borrowings	7	0.1	37.6	18.8
	Provisions	8	16.7	35.0	29.7
	Trade payables		20.4	28.0	28.9
	Liabilities for income tax		6.5	7.2	5.1
	Other liabilities		198.7	199.6	209.2
	Current liabilities		**242.4**	**307.4**	**291.7**
	Total liabilities		**324.8**	**391.3**	**398.1**
	Total liabilities and shareholders' equity		**506.5**	**580.3**	**580.6**

The notes on pages 10 to 14 are an integral part of the consolidated interim financial statements.

CONSOLIDATED INCOME STATEMENT

CHFm	Note	1st half-year 2011	1st half-year 2010	Fiscal year 2010
Revenue		253.1	281.2	571.2
Cost of goods sold		(129.9)	(149.4)	(301.9)
Gross profit		**123.2**	**131.8**	**269.3**
Marketing and distribution		(53.8)	(57.2)	(116.3)
Research and development		(27.5)	(26.6)	(56.9)
Administration		(19.4)	(23.3)	(44.3)
Amortization of intangible assets from acquisition [1]		(5.0)	(5.3)	(10.5)
Other income/(expenses), net		2.0	4.6	7.1
Earnings before interest and income tax (EBIT)		**19.5**	**24.0**	**48.4**
Financial income	9	1.0	0.4	1.0
Financial expenses	9	(9.7)	(1.9)	(6.9)
Earnings before income tax (EBT)		**10.8**	**22.5**	**42.5**
Income tax		(1.8)	(5.4)	(10.0)
Group profit for the period		**9.0**	**17.1**	**32.5**

[1] This line item exclusively contains amortization of intangible assets initially capitalized due to a purchase price allocation at acquisition date.

Group profit for the period attributable to

Owners of the parent	9.0	17.1	32.5

Earnings per share in CHF

Basic	0.26	0.49	0.94
Diluted	0.26	0.49	0.94

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

CHFm	1st half-year 2011	1st half-year 2010	Fiscal year 2010
Group profit for the period	9.0	17.1	32.5
Currency translation adjustments	(10.9)	(12.0)	(22.0)
Total comprehensive income for the period	**(1.9)**	**5.1**	**10.5**

Total comprehensive income for the period attributable to

Owners of the parent	(1.9)	5.1	10.5

The notes on pages 10 to 14 are an integral part of the consolidated interim financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

CHFm	1st half-year 2011	1st half-year 2010	Fiscal year 2010
Group profit for the period	9.0	17.1	32.5
+ Depreciation and impairment of property, plant and equipment	2.7	3.2	6.2
+ Amortization and impairment of intangible assets	7.4	6.7	13.8
- (Profit)/loss from disposal of property, plant and equipment	–	–	(0.1)
- (Profit)/loss from divestment of a subsidiary or business	–	(2.9)	(2.9)
+ Share-based payments	0.5	0.7	1.7
+/- Increase/(release) of provisions	(6.4)	0.2	9.9
- Provisions paid	(10.8)	(6.6)	(12.6)
+/- Change in inventory and work in progress	(2.4)	(0.3)	1.5
+/- Change in trade receivables	2.5	7.6	(5.2)
+/- Change in trade payables	(7.1)	1.7	1.4
+/- Change in other assets and other liabilities	3.2	(2.9)	1.8
- Interest income	(0.9)	(0.4)	(1.0)
+ Interest expenses	1.2	1.8	3.1
+ Interest received	0.7	0.3	0.8
- Interest paid	(0.8)	(1.4)	(2.2)
+ Income tax expenses	1.8	5.4	10.0
- Income tax paid	(4.1)	(7.0)	(11.7)
+/- Foreign currency translation differences on intra-group positions	4.8	(1.5)	(0.8)
Net cash flow from operating activities	**1.3**	**21.7**	**46.2**
- Purchase of property, plant and equipment	(1.4)	(4.3)	(6.0)
+ Proceeds from disposal of property, plant and equipment	0.3	0.1	0.4
- Purchase of intangible assets	(1.8)	(4.5)	(8.5)
+ Proceeds from divestment of a subsidiary or business	–	1.2	2.1
+/- Change in financial assets and other non-current assets	(0.6)	0.8	0.6
Net cash flow from investing activities	**(3.5)**	**(6.7)**	**(11.4)**
+ Increase in borrowings	37.5	–	–
- Repayment of borrowings	(75.0)	(25.1)	(25.1)
+ Proceeds from disposal of own shares	2.9	0.8	1.3
- Purchase of own shares	(0.1)	(3.4)	(3.4)
- Dividends paid	(8.7)	–	–
Net cash flow from financing activities	**(43.4)**	**(27.7)**	**(27.2)**
+/- Foreign currency translation differences on cash and cash equivalents	(3.0)	(2.6)	(6.3)
Net increase/(decrease) in cash and cash equivalents	**(48.6)**	**(15.3)**	**1.3**
+ Cash and cash equivalents at the beginning of the period	129.0	127.7	127.7
Cash and cash equivalents at the end of the period	**80.4**	**112.4**	**129.0**

The notes on pages 10 to 14 are an integral part of the consolidated interim financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

CHFm	Attributable to owners of the parent						
	Share capital	Own shares	Share premium	Other capital reserves	Currency translation adjustments	Retained earnings	Total shareholders' equity
Balance at 1.1.2010	**18.0**	**(13.9)**	**21.9**	**5.5**	**(19.9)**	**167.7**	**179.3**
Group profit for the period	–	–	–	–	–	17.1	17.1
Other comprehensive income	–	–	–	–	(12.0)	–	(12.0)
Total comprehensive income for the period	**–**	**–**	**–**	**–**	**(12.0)**	**17.1**	**5.1**
Share-based payments	–	–	–	0.7	–	–	0.7
Purchase of own shares	–	(3.4)	–	–	–	–	(3.4)
Disposal of own shares	–	0.8	–	–	–	–	0.8
Total transactions with owners	**–**	**(2.6)**	**–**	**0.7**	**–**	**–**	**(1.9)**
Balance at 30.6.2010	**18.0**	**(16.5)**	**21.9**	**6.2**	**(31.9)**	**184.8**	**182.5**
Group profit for the period	–	–	–	–	–	15.4	15.4
Other comprehensive income	–	–	–	–	(10.0)	–	(10.0)
Total comprehensive income for the period	**–**	**–**	**–**	**–**	**(10.0)**	**15.4**	**5.4**
Share-based payments	–	–	–	0.6	–	–	0.6
Purchase of own shares	–	–	–	–	–	–	–
Disposal of own shares	–	0.8	–	(0.3)	–	–	0.5
Total transactions with owners	**–**	**0.8**	**–**	**0.3**	**–**	**–**	**1.1**
Balance at 31.12.2010	**18.0**	**(15.7)**	**21.9**	**6.5**	**(41.9)**	**200.2**	**189.0**
Group profit for the period	–	–	–	–	–	9.0	9.0
Other comprehensive income	–	–	–	–	(10.9)	–	(10.9)
Total comprehensive income for the period	**–**	**–**	**–**	**–**	**(10.9)**	**9.0**	**(1.9)**
Share-based payments	–	–	–	0.5	–	–	0.5
Purchase of own shares	–	(0.1)	–	–	–	–	(0.1)
Disposal of own shares	–	2.7	–	0.2	–	–	2.9
Dividends paid	–	–	–	–	–	(8.7)	(8.7)
Total transactions with owners	**–**	**2.6**	**–**	**0.7**	**–**	**(8.7)**	**(5.4)**
Balance at 30.6.2011	**18.0**	**(13.1)**	**21.9**	**7.2**	**(52.8)**	**200.5**	**181.7**

The notes on pages 10 to 14 are an integral part of the consolidated interim financial statements.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. GENERAL INFORMATION AND BASIS FOR PREPARATION

These unaudited consolidated interim financial statements of Ascom Holding Ltd. and its subsidiaries cover the period from 1 January to 30 June 2011 and are prepared in accordance with the International Accounting Standard for interim financial reporting (IAS 34). These consolidated interim financial statements contain an update of information already published and must therefore be read in conjunction with the year-end financial statements dated 31 December 2010.

Preparation of the consolidated interim financial statements demands certain estimates and assumptions that affect the reported assets, liabilities, income and expenses and contingent liabilities at the time the accounts are prepared. If, at a later point in time, variations should occur to such estimates and assumptions, which were decided upon by the management in good faith at the time the accounts were prepared, the original estimates and assumptions are adapted accordingly in the accounting period in which the data changes. The impact of such changes is recorded in the profit or loss of the relevant period.

Ascom Group's business activities are not subject to pronounced seasonal fluctuations.

Income tax in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

Ascom Holding Ltd., the parent company of the Group, is a public limited company and is domiciled in Berne, Switzerland.

2. ACCOUNTING PRINCIPLES

The consolidated interim financial statements were prepared according to the same accounting principles as those applied for the consolidated financial statements for the year ended 31 December 2010, except as described below.

The following new standards, new interpretations and amendments to standards and interpretations are mandatory for the first time for the financial year beginning 1 January 2011:

IAS 24 (revised) – ''Related Party Disclosures'', IAS 32 (amendment) – ''Classification of Rights Issues'', IFRIC 14 (amendment) – ''Prepayments of a Minimum Funding Requirement'', IFRS 1 (amendment) – ''Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters'', IFRIC 19 – ''Extinguishing Financial Liabilities with Equity Instruments'', Improvements to IFRSs 2010 issued in May 2010 (amendments to IFRS 3, IFRS 7, IAS 1 and IAS 34, IAS 27 and IFRIC 13).

These new standards, new interpretations and amendments to standards and interpretations have no significant impact on the Group's financial statements, as they are either mostly disclosure regulations or are of little significance to Ascom Group.

3. FOREIGN CURRENCY TRANSLATION

CHF	ISO-code	Unit	30.6. 2011	31.12. 2010	30.6. 2010	Average 1st half-year 2011	Average 1st half-year 2010	Average fiscal year 2010
Euro	EUR	1	1.207	1.249	1.322	1.262	1.433	1.383
Pound sterling	GBP	1	1.337	1.448	1.629	1.443	1.653	1.611
Swedish krona	SEK	1	0.132	0.139	0.139	0.141	0.146	0.144
US dollar	USD	1	0.835	0.936	1.082	0.897	1.079	1.042

4. SEGMENT INFORMATION

Operating segments reflect the Group's management structure and the way financial information is regularly reviewed by the Group's chief operating decision-maker, which is defined as the Chief Executive Officer (CEO). Ascom has three clearly focused divisions as reportable segments: Wireless Solutions, Network Testing and Security Communication – all three being homogenous units under the common umbrella of Mission-Critical Communication.

Wireless Solutions comprises products and services in connection with wireless on-site communication solutions. Network Testing offers solutions to measure, analyze, and optimize mobile networks. Security Communication provides secure, reliable communication solutions for alarm systems, mobilization and tactical communication. The segment Corporate includes those Group activities that cannot be assigned directly to the divisions. No operating segments were aggregated.

Transfer prices between Ascom's operating segments are on an arm's-length basis in a matter similar to transactions with third parties. Inter-segment revenues are eliminated on consolidation.

CHFm 1st half-year	Wireless Solutions		Network Testing		Security Communication		Corporate		Consolidation		Total Ascom	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Incoming orders	147.8	157.9	73.2	86.4	57.3	65.2	–	0.2	(1.2)	(1.5)	277.1	308.2
Order backlog	92.3	96.7	42.6	39.6	104.3	112.4	–	–	–	(0.1)	239.2	248.6
Revenue	132.4	138.2	70.3	80.1	51.4	64.3	–	0.2	(1.0)	(1.6)	253.1	281.2
of which with other segments	0.2	0.2	–	0.1	0.8	0.9	–	0.2	(1.0)	(1.4)	–	–
Cost of goods sold	(65.0)	(70.3)	(31.5)	(33.9)	(34.5)	(45.7)	1.1	(0.2)	–	0.7	(129.9)	(149.4)
Gross profit/(loss)	**67.4**	**67.9**	**38.8**	**46.2**	**16.9**	**18.6**	**1.1**	**–**	**(1.0)**	**(0.9)**	**123.2**	**131.8**
as % of revenue	50.9%	49.1%	55.2%	57.7%	32.9%	28.9%	n/a	n/a	100.0%	56.3%	48.7%	46.9%
Marketing and distribution	(33.4)	(36.1)	(14.6)	(13.9)	(6.2)	(7.1)	0.2	(0.2)	0.2	0.1	(53.8)	(57.2)
Research and development	(10.8)	(9.7)	(12.8)	(14.6)	(4.6)	(2.3)	0.5	–	0.2	–	(27.5)	(26.6)
Administration	(5.6)	(5.2)	(4.6)	(6.9)	(1.9)	(3.6)	(7.9)	(8.3)	0.6	0.7	(19.4)	(23.3)
Amortization of intangible assets from acquisition	–	–	(5.0)	(5.3)	–	–	–	–	–	–	(5.0)	(5.3)
Other income/(expenses), net	(3.3)	(3.0)	(2.5)	0.9	(1.1)	(0.4)	8.9	7.0	–	0.1	2.0	4.6
EBIT	**14.3**	**13.9**	**(0.7)**	**6.4**	**3.1**	**5.2**	**2.8**	**(1.5)**	**–**	**–**	**19.5**	**24.0**
as % of revenue	10.8%	10.1%	n/a	8.0%	6.0%	8.1%	n/a	n/a	n/a	n/a	7.7%	8.5%
Financial income/(expenses), net											(8.7)	(1.5)
Earnings before income tax (EBT)											**10.8**	**22.5**
Income tax											(1.8)	(5.4)
Group profit for the period											**9.0**	**17.1**
EBITDA[1]	**17.8**	**17.3**	**5.4**	**12.3**	**3.6**	**5.8**	**2.8**	**(1.5)**	**–**	**–**	**29.6**	**33.9**
as % of revenue	13.4%	12.5%	7.7%	15.4%	7.0%	9.0%	n/a	n/a	n/a	n/a	11.7%	12.1%
Capital expenditures	2.3	3.0	0.5	5.4	0.3	0.4	0.1	–	–	–	3.2	8.8
Employees (FTE) at the end of the period	1,155	1,159	576	574	323	385	16	19	–	–	2,070	2,137

[1] EBIT before deduction of depreciation and amortization.

Reportable segments' assets are reconciled to total assets as follows:

CHFm	Wireless Solutions		Network Testing		Security Communication		Corporate		Consolidation		Total Ascom	
	30.6. 2011	31.12. 2010	30.6. 2011	31.12. 2010	30.6. 2011	31.12. 2010	30.6. 2011	31.12. 2010	30.6. 2011	31.12. 2010	30.6. 2011	31.12. 2010
Reportable segments' assets	102.6	111.6	251.1	266.9	49.6	53.3	10.7	5.6	–	(0.7)	414.0	436.7
Deferred income tax assets											3.8	3.9
Financial assets											8.0	7.5
Other assets											0.3	3.2
Cash and cash equivalents											80.4	129.0
Total assets											**506.5**	**580.3**

5. FINANCIAL ASSETS AND OTHER ASSETS (NON-CURRENT)

As of 30 June 2011, finance lease receivables of CHF 2.0 million are presented under non-current financial assets instead of other assets for the first time. Accordingly, previous year numbers are adjusted by CHF 2.2 million each.

6. DIVIDEND PAYOUT, OWN SHARES, SHARE-BASED PAYMENTS

As of 13 April 2011, the Annual General Meeting of Ascom Holding Ltd. approved to distribute a dividend of CHF 0.25 per registered share. The total dividend payout amounted to CHF 8.7 million.

In the period under review, Ascom purchased 9,763 registered shares and disposed 248,993 registered shares in conjunction with the issuance and exercise of options in relation to the Ascom Stock Option Plans.

In accordance with the resolution passed by the Board of Directors on 13 April 2011, a total of 491,000 options (equity- as well as cash-settled options) were issued to members of Ascom's senior management on 13 April 2011. Each equity-settled option entitles the holder to purchase one share with a nominal value of CHF 0.50. Each cash-settled option entitles the holder to receive the difference between exercise and strike price in cash. The strike price is CHF 15.00. The options have a life of five years and are subject to two exercise hurdles (outperformance of the SMI index within a period of 12 months and the share price is at least CHF 16.50 at the date of exercise). The options are subject to a vesting period of 3 years and a blocking period between 1 and 3 years. During the period under review, 248,993 options of the Ascom Stock Option Plans were exercised, 159,687 options were forfeited, and 77,500 options expired.

7. BORROWINGS

As of 30 June 2011, the Group's total credit facility comprised a cash line of CHF 123.2 million and a guarantee line of CHF 57.1 million available from financial institutions and banks (31 December 2010: cash line of CHF 78.6 million and guarantee line of CHF 65.8 million).

As of 30 June 2011, Ascom did use the cash credit line as shown in the table below:

CHFm	30.6.2011	31.12.2010	30.6.2010
Non-current	37.5	37.5	56.3
Current	0.1	37.6	18.8
Total borrowings	**37.6**	**75.1**	**75.1**

The total borrowings consist mainly of one revolving multicurrency loan facility in an aggregate amount equal to CHF 120.0 million with a bank consortium at variable interest rates. This loan facility replaced the former facility at 26 May 2011. The final maturity date of the credit facility is 24 May 2016. The financial covenants contained in this credit facility are fully complied with.

8. PROVISIONS

A reassessment of the most likely outcome of risks in relation to divested activities led to a release of unutilized provisions of CHF 2.0 million in the period under review. Additionally, Ascom settled litigations connected to the operational business which led to releases of unutilized provisions in the total amount of CHF 2.0 million.

In 2010, Ascom recognized provisions for several restructuring events. Thereof, CHF 2.7 million were paid out and CHF 0.1 million were reversed in 2011. Remaining cash outflows are mainly expected to be executed until year-end.

9. FINANCIAL INCOME AND EXPENSES

Due to liquidation of a subsidiary, financial expenses include foreign exchange losses of CHF 3.0 million formerly recognized in equity under currency translation adjustments. Additionally, financial expenses are affected by amortization of CHF 1.4 million accrued transaction costs for the early redeemed credit facility due to refinancing (see note 7.).

Foreign exchange gains and losses are presented net within financial income or financial expenses in the year-end financial statements 2010. Previous half-year numbers are adjusted accordingly.

10. SIGNIFICANT EVENTS AFTER THE END OF THE INTERIM REPORTING PERIOD

As of 1 July 2011, Ascom acquired all shares of Miratel Oy, based in Finland. The preliminary purchase price amounted to EUR 6.1 million. Miratel is the market leader in nurse call systems, communication and personal security systems for hospitals and care facilities in Finland. The company has over 40 years' experience in nurse call systems, their deployment and commissioning as well as their maintenance and service. Miratel has a proprietary product offering including a fully IP-based nurse call system. Miratel achieved net revenues of EUR 7.3 million in 2010, and employs 35 people in the Finnish locations of Turku, Helsinki, Oulu and Kuopio. Miratel will become part of the Ascom Wireless Solutions Division and form the core of the Wireless Solutions business in Finland.

At 10 August 2011, based on a thorough review of strategic alternatives, the Board of Directors decided to focus the Ascom Group's business consistently on the two homogenous and globally oriented divisions Wireless Solutions and Network Testing. New owners will be sought for the third and smallest division, Security Communication.

11. TIME OF RELEASE FOR PUBLICATION

The Board of Directors approved the 2011 consolidated interim financial statements on 10 August 2011 and gave permission for publication at the media conference on 18 August 2011.

12. SHARE INFORMATION

	30.6.2011	31.12.2010	30.6.2010
Number of registered shares nom. CHF 0.50	36,000,000	36,000,000	36,000,000
Share price per registered share in CHF (high/low of the period under review)	15.10/11.25	14.70/9.50	13.25/9.60
Share price per registered share at the end of the period in CHF	12.45	14.70	9.60
Market capitalization in CHFm	448.2	529.2	345.6

Important dates

15 March 2012	Annual Media Conference
18 April 2012	Annual General Meeting

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Declaration on forward-looking statements
This Half-year Report contains statements that constitute forward-looking statements relating to Ascom. Because these forward-looking statements are subject to risks and uncertainties, the reader is cautioned that actual future results may differ from those expressed in or implied by the statements, which constitute projections of possible developments. All forward-looking statements are based only on data available to Ascom at the time of preparing this Half-year Report.

The Half-year Report of the Ascom Group can be viewed online at **www.ascom.com/hyr2011-en**

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FSC® C007447

Publishing details
Publisher Ascom Holding Ltd., Berne
Concept Ascom Group Communications, Dübendorf
Financial Statements Ascom Group Finance, Dübendorf
Editorial Tolxdorff & Eicher Consulting, Horgen
Translation CLS Communication AG, Zurich
Design MetaDesign Suisse AG, Zurich
Prepress & Printing Printlink AG, Zurich

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